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## GENERAL

1. Sealing of Greek northern border held necessary--US Minister Heath in Sofia feels that the recent efforts of President Evatt and other General Assembly officials to arrange for the "conciliation" of Greece's dispute with the northern neighbors are irrelevant and serve to confuse the real issue. Heath considers that the US should take every opportunity to point out that the dispute is not an ordinary border quarrel but a blunt case of interference by three Soviet dependencies in the internal politics of a UN member. Heath believes that completely cutting off outside aid to the guerrillas is the only solution to the Greek problem, and he suggests that the US wait no longer to make the sealing of Greece's northern border the immediate objective of its Greek policy.

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(CIA Comment: CIA considers it unlikely that the current talks between Greece and the northern neighbors will have any constructive results, notwithstanding optimistic reports from President Evatt of the General Assembly.)

## FAR EAST

2. CHINA: National Government leaving Nanking--US Embassy Nanking reports that a "very considerable exodus" of Nationalist officials from Nanking is already under way. The Embassy indicates that certain key Government figures will remain until the last moment in order to lend credibility to public announcements that the Government intends to stay. The Embassy estimates that the Nationalists will not be able to move the entire government and will have to abandon the "bottom third or half" of the Nanking personnel.

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Document No. 657NO CHANGE in Class.  DECLASSIFIED

Class. CHANGED TO: TS S

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DDA Memo, 4 Apr 77

Auth: DDA RLG, 77/1763

Date: 16 MAR 1978 By: 028~~TOP SECRET~~

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3. INDONESIA: Dutch-Republican talks broken off--The US representative to the UN Good Offices Committee reports that: (a) the recent Netherland-Republican conversations have broken down; and (b) the Dutch mission is returning to The Hague where it will recommend that a provisional government be set up immediately without the participation of the Indonesian Republic. The US representative indicates that the talks broke down because of the Republic's insistence on continued control of its own military forces and because of the failure of the Dutch to meet the Republican Premier's request for a gentleman's agreement not to use troops in the Republic's territory without the consent of the projected federal government.

(CIA Comment: CIA believes that the Dutch will proceed without the Republic in the establishment of an interim government but will not resume "police action" immediately. The Dutch will probably wait until accelerated economic and political deterioration in Republican territory have precipitated incidents sufficiently serious to bolster Dutch claims that military action is necessary.)

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